

Directive No. 67

**STATED PREMIUM MUST INCLUDE
ALL CHARGES**

June 1, 1986

It has been brought to my attention that many agents doing business in this state are charging inspection fees, producer fees or handling fees. Whatever this is called, it is in violation of L.A.R.S. 22:627, Stated Premium Must Include All Charges.

This law states that "The premium stated in the policy shall be inclusive of all fees, charges, premiums or other consideration charged for the insurance or for the procurement thereof, except that, in any subsequent modification of the policy, the insurer may require that evidence of insurability be furnished at the insured's expense.

"No insurer or its officer, employee, agent, solicitor or other representative shall charge or receive any fee, compensation or consideration for insurance which is not included in the premium specified in the policy."

This is to notify all interested parties that no such charge for fees is permitted in the State of Louisiana. If an agency is charging such a fee, it is necessary that the practice cease immediately or be subject to administrative action by the Insurance Department.

Sherman A. Bernard
COMMISSIONER OF INSURANCE

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